

SENATE BILL 753

By Johnson

AN ACT to amend Tennessee Code Annotated, Title 8,  
Chapter 27, Part 2, relative to group insurance for  
state officials and employees.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 8, Chapter 27, Part 2, is amended by  
adding the following language as a new, appropriately designated section:

Section 8-27-2\_\_\_. Any insurer offering group health insurance, including a medical plan contract, hospital service corporation contract, hospital and medical service corporation contract, fraternal benefit society, health maintenance organization, preferred provider organization, or managed care organization, or any of its affiliates or subsidiaries, which provides hospital, medical or surgical expense insurance pursuant to a group insurance program for state employees under this part shall not enter into an exclusive provider agreement with any hospital for the provision of services to state employees except as provided by this section. Any exclusive provider agreement for the provision of hospital services to state employees must be offered to each hospital within the service area of the contract in succession according to the percentage of TennCare admissions to total admissions that each respective hospital served during the previous calendar year, beginning with the hospital within the contract service area that provided the highest percentage of TennCare admissions during the previous calendar year. The exclusive provider agreement terms offered to each successive hospital must be identical to the terms offered and rejected by the hospitals within the service area of the contract that served a greater percentage of TennCare admissions within the previous

calendar year, and each hospital must be given the same number of business days to accept or reject the contract terms.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it. This act shall apply to contracts entered into, amended, extended or automatically renewed on or after the effective date of this act.